

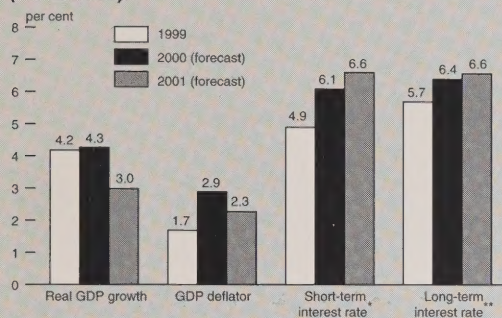
Government of Canada Securities

A Publication of the Department of Finance Canada

July 2000

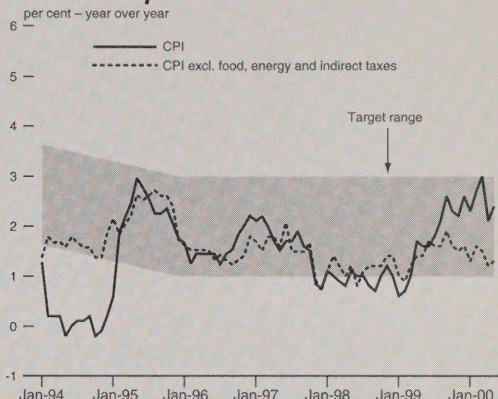
Canadian Economy

OECD economic forecast for Canada (June 2000)

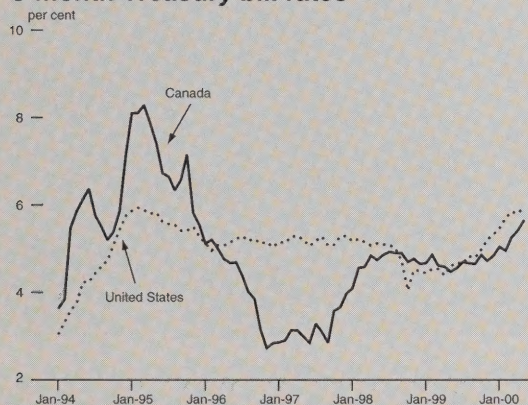


*90-day finance company paper.
**Over 10-year federal government bonds.
Source: OECD.

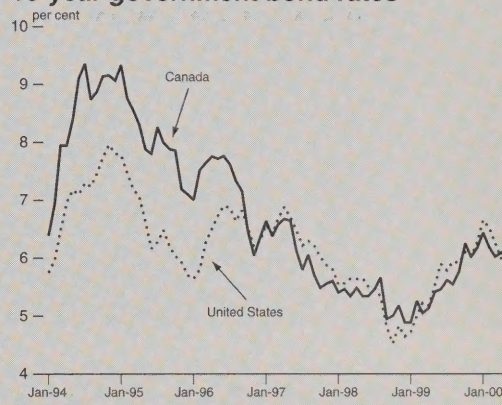
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

August

July Labour Force Survey
(August 4)

July CPI
(August 17)

2000 Q2 National Accounts
(August 31)

September

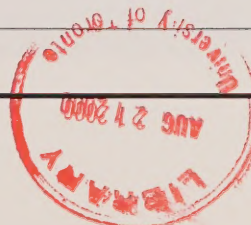
August Labour Force Survey
(September 8)

August CPI
(September 14)

October

September Labour Force Survey
(October 6)

September CPI
(October 20)



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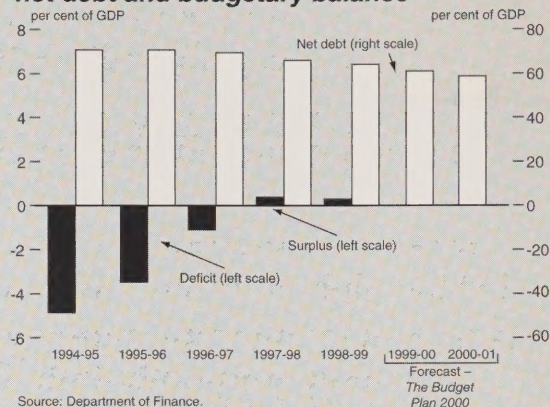
Canadian Economy

Selected Canadian economic statistics

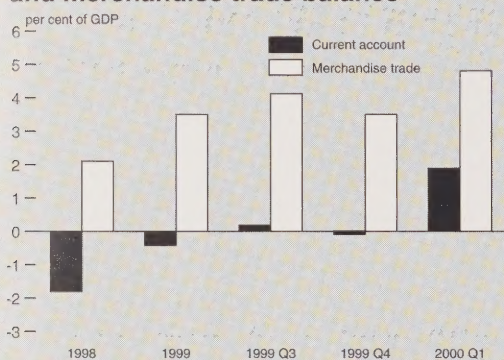
	1998	1999	1999		2000
			Q3	Q4	Q1
Annualized growth rates					
Real gross domestic product	3.3	4.5	6.5	5.1	4.9
GDP excluding inventories	3.9	4.7	6.6	3.0	6.2
Final domestic demand	2.8	4.4	4.3	6.3	4.4
Employment growth	2.7	2.8	2.2	3.5	3.8
Other					
Unemployment rate	8.3	7.6	7.6	7.0	6.8
Current account balance (per cent of GDP)	-1.8	-0.4	0.2	-0.1	1.9

Source: Statistics Canada.

Government of Canada net debt and budgetary balance



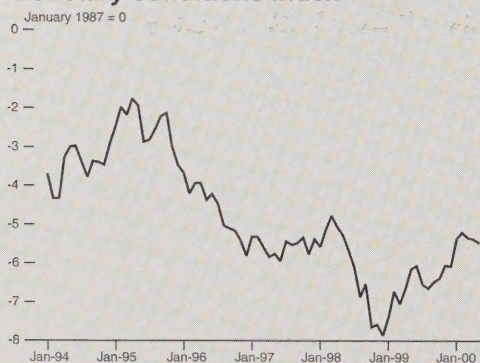
Canada's current account balance and merchandise trade balance



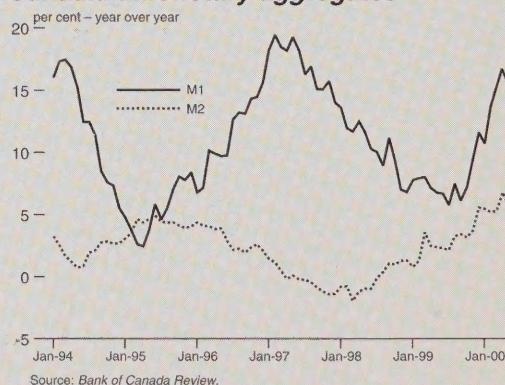
Exchange rate



Monetary conditions index



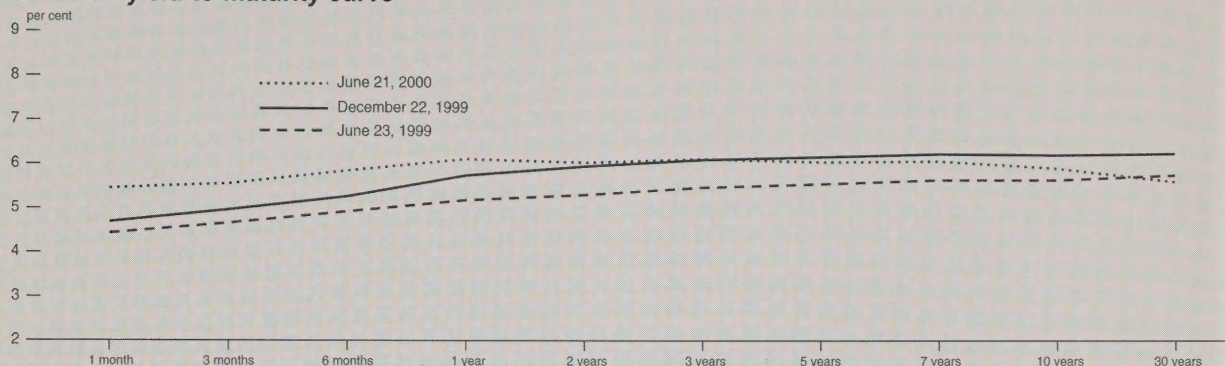
Canadian monetary aggregates



Government of Canada Securities

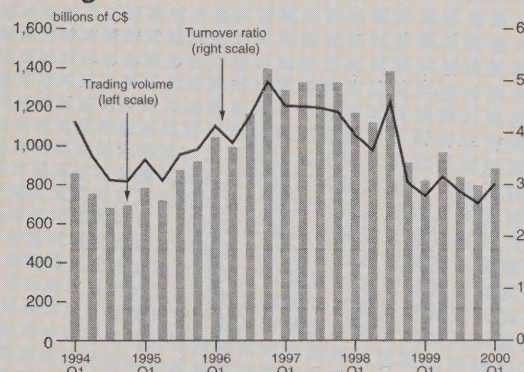
Secondary Market

Canadian yield-to-maturity curve



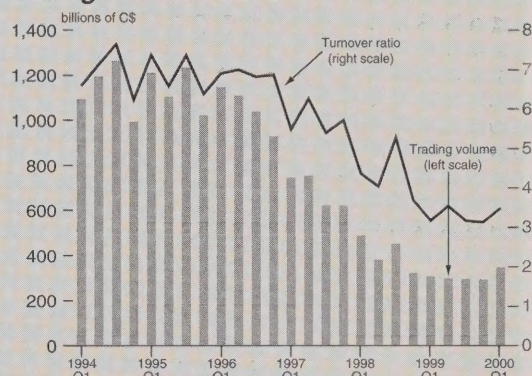
Source: Bank of Canada Review.

Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
 Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
 Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

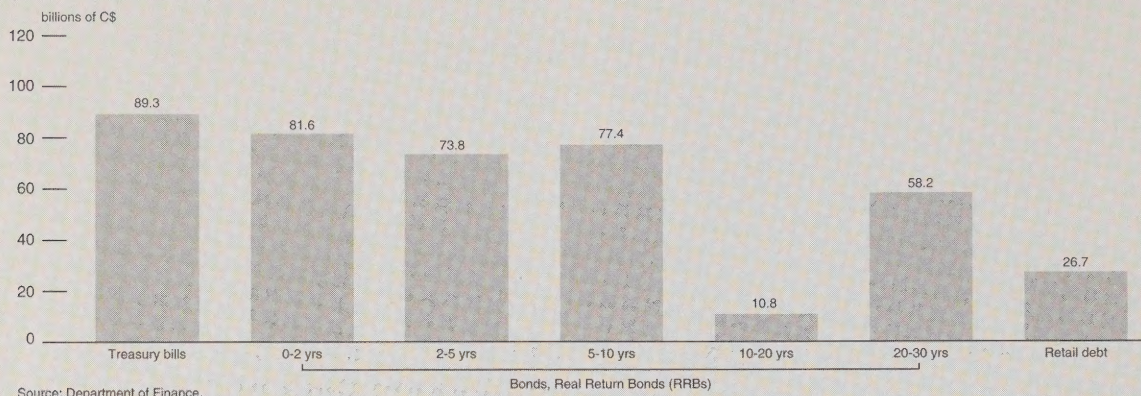
Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BLC Securities Inc.
- La Caisse centrale Desjardins du Québec
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- HSBC Bank Canada
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- Morgan Stanley Canada Limited
- National Bank Financial Inc.
- Nesbitt Burns Inc. (marketable bonds only)
- Ocean Securities Inc.
- Odium Brown Limited
- RBC Dominion Securities Inc.
- Salomon Smith Barney Canada Inc.
- Scotia Capital Inc.
- Société Générale Valeurs Mobilières Inc.
- The Toronto-Dominion Bank

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of June 21, 2000)



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 7, 2000	2	Dec. 1, 2002	6	3,600	99.857	6.065	2.5	0.8
May 31, 2000	30	Dec. 1, 2031	4***	350	103.842	3.79	3.3	n.a.
May 10, 2000	5	Sept. 1, 2005	6	2,800	98.33	6.374	2.5	0.5
April 26, 2000	10	June 1, 2011	6	2,600	98.987	6.128	2.7	1
April 19, 2000	30	June 1, 2029	5.75	1,900	99.923	5.755	2.4	4.4

*Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** RRB

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (2000)	Further details of issue (2000)	Dated and delivered (2000)	Amount maturing*
				(millions of dollars)
10-year auction	July 26	July 20	Aug. 1	—
5-year auction	Aug. 9	Aug. 3	Aug. 15	—
RRB	Aug. 30	Aug. 24	Sept. 5	—
2-year auction	Sept. 13	Sept. 7	Sept. 15	—

*Maturity of \$8,800 million on September 1, 2000.

Note: One repurchase operation of Government of Canada marketable bonds is planned under the bond repurchase program in the 10-year sector.
Further details will be released on July 20, 2000.

Government of Canada Securities

Primary Market

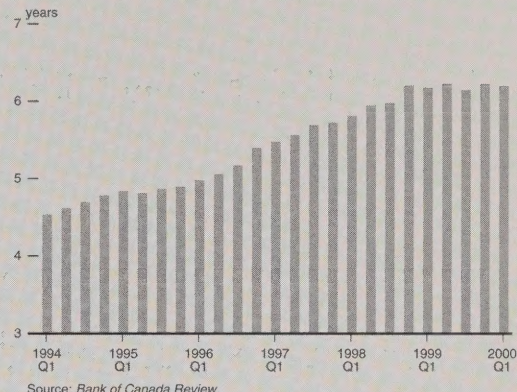
Government of Canada bond market benchmarks (June 21, 2000)

Term	Maturity	Coupon	Amount outstanding	Yield
		(%)	(millions of dollars)	June 21, 2000 (%)
Fixed coupon				
2-year	June 1, 2002	5.75	7,200	6.04
5-year	Sept. 1, 2004	5.00	10,850	6.07
10-year	June 1, 2010	5.50	10,400	5.93
30-year	June 1, 2029	5.75	10,100	5.62
Real return				
30-year	Dec. 1, 2026	4.25	5,250	3.76

The normal bid-ask spread on these bonds is around 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

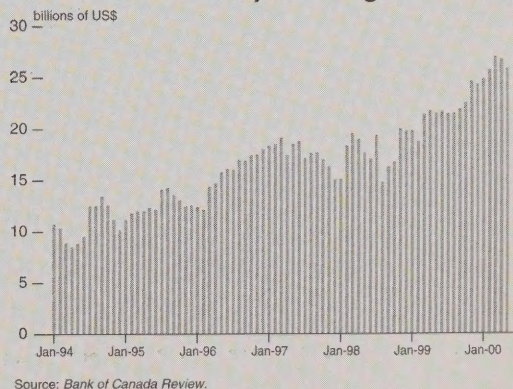
July-September 2000	October-December 2000	January-March 2001	April-June 2001
(millions of dollars)			
11,875	7,500	13,000	11,875

Outstanding Government of Canada foreign-currency debt (as of May 2000)

	(US\$ millions)
Canada Bills	4,197
Canada Notes	663
Outstanding under EMTN program	3,028
6½% US\$ bonds maturing May 30, 2001	1,000
6% US\$ bonds maturing July 15, 2002	1,000
5% US\$ bonds maturing February 19, 2003	2,000
6% US\$ bonds maturing November 30, 2004	2,000
6% US\$ bonds maturing July 21, 2005	1,500
6% US\$ bonds maturing August 28, 2006	1,000
6% NZ\$ bonds maturing October 3, 2007	319
4% DM bonds maturing July 7, 2008	2,219
5½% US\$ bonds maturing November 5, 2008	2,500

Source: Department of Finance.

Canada's level of liquid foreign reserves



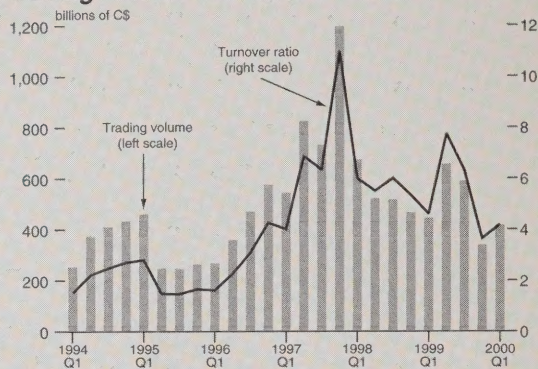
Government of Canada Securities

Secondary Market

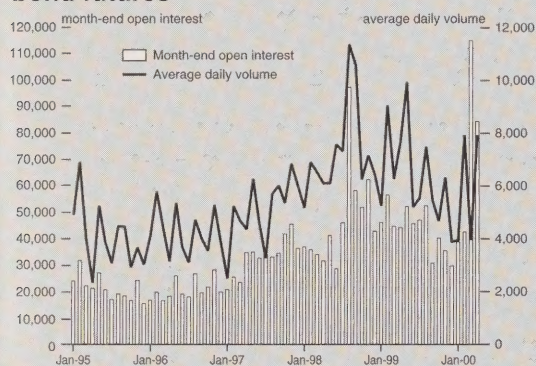
Government of Canada bond repos trading volume and turnover ratio



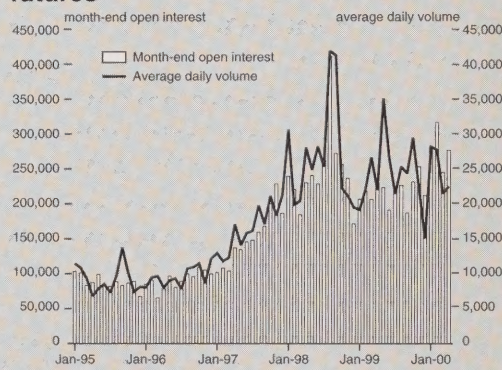
Government of Canada Treasury bill repos trading volume and turnover ratio



10-year Government of Canada bond futures



3-month bankers acceptance futures



Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
Domestic debt	AAA	Aa1	AA+	AAA
– Trend	Stable	Stable	Stable	Stable
Foreign debt	AA+	Aa1	AA+	AA(high)
– Trend	Stable	Stable	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>.

Except as noted, the information in *Government of Canada Securities* is based upon data available as of June 23, 2000.

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